

3.1 JRB Membership

This section includes details on the membership of the Joint Review Board (JRB) that is required to approve TIDs in every municipality across the state. The 2004 changes to the TIF Law added specific language designating who should represent each overlying taxing jurisdiction on the JRB. There are also guidelines for dealing with unique membership situations where multiple taxing jurisdictions may have a claim of representation.

The question of representation is an important one, considering the significant decisions being made by this body. The JRB representative is essentially agreeing, on behalf of the taxing jurisdiction, to surrender some amount of increased tax revenues for a period of time to assist and facilitate economic development. While the TID exists, the tax revenue from the new growth is sent back to the municipality to fund the TID projects. As a result of the new growth, the tax base of all overlying jurisdictions will be larger after the TID projects are completed and the TID is dissolved. If, for example, a TID helps a local business to complete an expansion that would not have otherwise been possible (meeting the “but for” test), the increased tax revenue at first helps pay for the improvements that helped with the expansion. After those expenditures are paid for, the larger tax base can be levied by all overlying taxing jurisdictions. Without the TID the tax base could not have grown as it did, so in the end all jurisdictions are better off than they were before the TID was created. Carefully scrutinizing the project plan, and the assumptions that support it, will help curtail any abusive or unnecessary use of TIF for projects that do not really need public assistance.

Please note: The “but for” test, covered in Chapter Five, is critical to the effective use of TIF, because if the growth would have happened without TIF, the use of tax dollars for improvements was unnecessary.

District Representatives

The TIF Law [66.1105 (4m)] gives specific directions on the form and function of the Joint Review Board. The role of the Joint Review Board members is to review and approve TIDs, and ask the municipal officials and planners tough questions about the assumptions they used to lay out the TID. For this reason, TIF Law recommends that the members of the JRB have some knowledge of public finance. This background is needed to verify the feasibility and necessity of the TID. The specific officers that are to serve on the JRB for each district are defined in 66.1105 (4m)(ae):

School – The president of the school board, or his or her designee with preference to the school district's finance director.

Technical College – The director of the technical college district, or his or her designee with preference to the district's chief financial officer.

County – The county executive or the chairperson of the county board, or this person's designee with preference to the county treasurer.

City/Village – The mayor or city manager, or the village board president, or his or her designee with preference to the person who administers the economic development programs or the municipal treasurer.

The fifth member of the JRB is the public member. This member is chosen by a majority of the other members at the JRB's first meeting (held before the public hearing and within 14 days of the public notice being published). There is no other guidance with respect to who is eligible for this seat, but preference should be given to residents with some knowledge of finance or economic development. The chair of the JRB is also chosen by a vote of the other members at the first meeting of the JRB.

Please note: Despite the fact that the chair is chosen at the same meeting where the public member is chosen, there is no limitation keeping the public member from serving as the JRB chair.

Special Cases

It is possible that a TID has property served by more than one school, technical college or county. When more than one school, technical college or county has the power to levy taxes on the property in the TID, the unit with the greater total land value in the base value of the TID shall choose the representative. For example, School District A serves 75% of the area in the TID, but only 40% of the value of the TID is in that area, so School District B – which serves 25% of the area but has 60% of the value – selects the JRB member. It may be desirable to notify both districts of the meetings, but only the representative from the majority-value district may vote.

When a TID is located within a union high school district, the seat designated for the school district shall be held by two representatives, each of whom will have one-half of a vote. One representative shall be chosen by the union high school district that has the power to levy taxes in the TID, and one representative shall be chosen by the elementary school district that levies taxes on the land in the TID. These members are free to vote independent of one another, just as other members of the JRB. Again, if more than one union high school or elementary school district can levy taxes on property within the TID, the unit with the greater total land value in the TID shall select the representative for that seat.

When the JRB is considering a territory amendment, the property value considerations that define membership should be made with respect to the land in the amended area (the parcels being added or subtracted). For example, if a territory amendment adds property from one county to a TID in a different county, the county in which the added territory is located should choose the JRB representative. Quite a few municipalities in Wisconsin are situated on or near a county line, so this case does come up from time to time. Once the amendment has been made, any subsequent actions that come before the JRB will require a new calculation to determine which taxing jurisdictions now have the majority of the land value, and therefore get voting representation on the JRB.